

Income Tax on Earnings

3503. SHRI ANAND RATAN MAURYA : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that in order to evade income tax on earnings, the big business houses are resorting to divert the huge funds of their earnings to make it as capital base for their new projects and float Mega public issues in the market to raise money from public;

(b) if so, whether the Government have conducted any survey in this regard to identify such companies which have introduced their new sister concerns within three years of their inception;

(c) if so, the details thereof; and

(d) if not, the remedial steps taken or proposed to be taken to check this menace?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d) Yes Sir, certain cases of this nature have come to the notice of the Income Tax Department and necessary investigations have been initiated.

Economic Intelligence Bureau

3504. SHRI K. PRADHANI : Will the Minister of finance be pleased to state:

(a) the year in which the Central Economic Intelligence Bureau was set up together with its Organisational details;

(b) the details of the economic investigations carried out by the Bureau in the country and outside the country during last two years;

(c) the yearly financial liability of the Bureau;

(d) whether the investigation by the Bureau have been commensurate with the financial liability; and

(e) if not, the steps being taken to remedy the situation.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Central Economic Intelligence Bureau was set up in July, 1995. Organisational details relating to the Bureau are in the statement attached.

(b) During the years 1994-95 & 1995-96, the Bureau detected several crores of tax evasion by leasing and finance companies, under invoicing of imports by benami firms, misuse of MODVAT credit scheme, misuse of stock invest facilities, etc. A number of investigative studies was also undertaken by the Bureau.

(c) The actual expenditure incurred by the Bureau in 1995-96 was Rs. 110.34 lakhs.

(d) and (e) No detailed assessment of the benefits accruing from the investigations made by the Bureau has been made. However, the gain to the exchequer in the form of taxes and duties collected as also penalties levied exceeds the annual expenditure incurred by the Bureau.

STATEMENT*Organisational details relating to CEIB*

S1. No.	Post	Sanctioned strength
1)	Group - A	
a)	Director General	1
b)	Jt. Secretary & Dy. Dir. General	3
c)	Assistant Director General	5
d)	Sr. Technical Officer/ Under Secretary/ Sr. Statistician Gr. I	13
e)	Sr. Statistician Gr. II/ Private Secretary (Grade 'A')	2
Total Group - A		24